World Bank advice to review Cooperative Sector

1653. SHRI SATISH PRADHAN: Will the Minister of Finance be pleased to state:

(a) whether Government have applied to World Bank for interest free loan for cooperative sector;

(b) if so, what are the details for which the loan will be used.

(c) whether it is a fact that World Bank has advised Government to include co-operative sector in Sectoral Reforms;

(d) if so, what are the details of the World Bank proposal; and

(e) whether Government have agreed to comply with World Bank suggestions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Government of India had forwarded to the World Bank a project profile for possible IDA assistance to NODC.

(b) The basic objective of the project is to build up and strengthen the institution of cooperatives to subserve the national programme of increasing production and productivity of agriculture, and alleviation of rural poverty.

(c) to (e) In order to formulate a viable Cooperative Development Project, a study of the Cooperative Sector has recently been commissioned which would prepare a plan of action for a more successful and viable cooperative sector. Details of the World Bank proposal cannot be determined until the content of the study is finalised.

Public sector banks functioning abroad

1654. SHRI PASUMPON THA. KIRUTTINAN: Will the Minister of FINANCE be pleased to state:

(a) the names of the branches of public sector banks functioning abroad;

(b) names of the branches earning profits and those suffering losses; and

(c) steps taken or proposed to be taken by Government to streamline the working of the backs functioning abroad?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTRY OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The information is being collected and will be laid on the Table of the House.

(b) Public Sector Banks prepare their profit and loss accounts in the format prescribed in the Third Schedule of the Banking Regulation Act, 1949. The profit/loss position of the bank as a whole is reflected therein. Profit/losses of overseas branches are not indicated separately.

(c) The operations of foreign branches of Indian banks are continuously reviewed by Government and Reserve Bank of India (RBI). Various steps have been taken in the last few years to monitor and improve the operation of overseas branches which inter-alia include strengthening of personnel policy and prudential norms in regard to lending limits and country exposure, reinforcing of internal and supervisory control, promoting cooperation and coordination among the Indian banks, portfolio inspection of international divisions, closure of non-viable branches, review of problem credits etc. The important developments of overseas branches are also discussed in details by Governor, RBI in his Action Plan Meetings.